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December 1, 2016

**VIA, ELECTRONIC FILING**

The Honorable Jocelyn Boyd  
Chief Clerk and Administrator  
The Public Service Commission of South Carolina  
101 Executive Center Drive  
Columbia, South Carolina 29210

Re: • **Docket Number 2015-362-E**

Dear Ms. Boyd:

Enclosed, please find the following to be filed in the above-referenced Docket,  
Responsive Comments, Coversheet and Certificate of Service.

All parties of record have been served. Please notify the undersigned if you there is  
anything else you may need.

Respectfully Submitted,

RLW/cas

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Richard L. Whitt

## **Introduction**

Pursuant to an Amended Notice of Workshop that was issued by this Commission on September 29, 2016, and Commission Order No. 2016-658. SC Solar Development, LLC (hereinafter as, "SCSD"), submits the following comments in response to the Direct Statements filed by South Carolina Electric & Gas, Duke Energy Carolinas, LLC and Duke Energy Progress, LLC regarding their progress in meeting the requirements of the South Carolina Distributed Energy Resources Program Act and updates on the backlog of interconnection studies.

## **SC Solar Development, LLC**

SC Solar Development, LLC is a wholly owned subsidiary of National Renewable Energy Corporation ("NARENCO"). SC Solar Development, as a wholly owned subsidiary, operates under the business model of NARENCO. NARENCO is a vertically integrated Solar Company with in house design, engineering, procurement, construction developer, financier, and Operations and Maintenance provider. NARENCO, through its subsidiaries, including SC Solar Development, controls a pipeline of approximately 700 MW in South Carolina, has built nearly 100 MW of solar to this date, and has approximately 1,600 MW pipeline across the southeast.

## **South Carolina Interconnection Standard Comments**

### **General Comments**

- SCSD has witnessed mixed results as to the implementation of the state interconnection standard.
- SCSD believes that, the State interconnection standard was primarily modeled after the small generator interconnection procedure, 20 MW AC, and below.
- And as a result, the final interconnection standard dealt primarily with the needs of small generators. Unfortunately, this standard was applied to all generators large and small, without debate or consideration of the needs or requirements of large generators. To name just a few of the ways the interconnection standard has hurt large generators: 1) no reimbursement of network upgrade costs paid for by the generator 2) no ability to suspend interconnection agreements for up to three years, as well as, 3) omits other parts of the Large Generator Interconnection Agreement form agreement which establish revenue certainty required to obtain market based financing, under either energy or network resource interconnection service.

**Table Showing SCE&G's Generator History (Pre and Post Standard Implementation)**

(The table below shows both the trend and status of projects submitted prior to and post implementation of the South Carolina state interconnection standard by size.)

Large Generators (> 20 MWAC)	Total Submitted	Complete	In Progress	Withdrawn
Pre-Standard Projects	11	0	6*	5
Post-Standard Projects	3	0	2	1

Small Generators (2 < 20 MWAC)	Total Submitted	Complete	In Progress	Withdrawn
Pre-Standard Projects	94	0	23	71
Post-Standard Projects	14	0	6	8

Fast-Track Eligible Generators ( < 2 MWAC)	Total Submitted	Complete	In Progress	Withdrawn
Pre-Standard Projects	29	10	2	17
Post-Standard Projects	42	1	34	7

\* Two projects are affiliates of SC Solar Development LLC.

Please note that a similar table for DEP/DEC would also be enlightening to verify the trends, but such table could not be prepared based upon the information provided by DEP/DEC within the time allotted.

**Results of This Analysis.**

The results of such analysis suggest that the Fast-Track Eligible Generators have witnessed strong and robust use of the state interconnection standard while, interestingly, both the small and large generators 2 MW AC and greater have witnessed a precipitous decline in submission of new projects after implementation of the new state standard in spite of the fact that Qualifying Facilities ("QF") are more competitive than ever given a continued decline in the installation cost. Furthermore, it is worth noting that not a single project has reached completion to date for either the large or small generator mix.

**Conclusion of Analysis.**

SCSD respectfully suggest that this Commission would be well advised to revisit the interconnection standard in the near future, so that the interconnection standard could be more inclusive of large generator needs that arguably are not included at this time. As an alternative to revisiting the interconnection standard, SCSD would support the Commission's consideration of adoption of the FERC LGIP as a state interconnection framework for projects sized 20MW and higher while maintaining the current interconnection standard for projects sized below 20MW.

### **SCSD's Experience with SCE&G - Implementation of the State Interconnection Standard**

The following comments are provided to give the Commission an understanding of SCSD's experience (inclusive of its affiliates) in working with SCE&G post implementation of the interconnection standard.

SCSD's experience with SCE&G in processing interconnection applications, post adoption of the state interconnection standard, has satisfactorily met our expectations. SCE&G's interconnection queue administration team has worked diligently in implementation of the new procedures. SCE&G's team consistently communicates timelines and study outcomes within agreed parameters and has tendered conforming state jurisdictional Generator Interconnection Agreement's for SCSD and its affiliates on a timely basis.

### **SCSD's Experience with DEC/DEP - Implementation of the State Interconnection Standard**

The following comments are provided based on SCSD's experience (inclusive of its affiliates) in working with DEC/DEP post-implementation of the state interconnection standard. As general feedback, SCSD has not had as consistent experience with DEC/DEP as it has enjoyed to date with SCE&G. Several of the projects DEC/DEP represented to the Commission as being submitted in the fourth quarter of 2014, are affiliates of SCSD and still await receipt of a generator interconnection agreement. To wait over two years to receive system impact studies for projects within a market that has no/limited QF penetration is particularly curious. All of SCSD's aged projects are 10 MW AC or below with proposed interconnection to DEC/DEP at the distribution level, which should be relatively simple to study given DEC/DEP's robust national experience with distributed generation as an owner/operator. Furthermore, the DEC/DEP metrics and summary detail provided does not allow for a clear understanding of how DEC/DEP complied with the Commission's order to ensure Open Access via compliance with the new state interconnection standard. SCSD respectfully requests the Commission provide more clarity from DEC/DEP in their reporting, to demonstrate just how many interconnection applications have been filed, current status, and timelines when each should be tendered an interconnection agreement.

SCSD and its affiliates are willing to work with DEC/DEP in implementing the state interconnection standard, to ensure Open Access is obtained without detriment to the regulated distribution and transmission system. However, DEC/DEP's implementation of new technical parameters into the interconnection study process (ex. circuit stiffness and voltage regulator limitations) have the effect of erecting new barriers to entry, resulting in significant delay, as well as, increased costs for unmerited equipment – all of which is at the detriment of QF's. The implementation of these new study parameters, which have proven to be poor indicators of grid rigidities in some instances, would limit competition and result in increased uncertainty in establishing fair and competitive marketplace for QFs. Therefore, SCSD requests the South Carolina Office of Regulatory Staff and this Commission inquire into SCSD's concerns, with the goal of limiting DEC/DEP's ability to implement new technical parameters without first conducting a stakeholder engagement process to ensure proposed technical parameters are implemented fairly without bias and without impacting study timelines as required under the state interconnection standard.

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION**  
**OF SOUTH CAROLINA**  
**DOCKET NO. 2015-362-E**

IN RE: Joint Application of Duke Energy )  
Carolinas, LLC, Duke Energy )  
Progress, LLC and South Carolina )  
Electric & Gas Company for Approval )  
of the Revised South Carolina )  
Interconnection Standard. )

**CERTIFICATE OF SERVICE**

I, Carrie A. Schurg, an employee of Austin & Rogers, P.A., certify that I electronically mailed a copy of the Coversheet, Correspondence and Comments and this Certificate of Service, in the above referenced matter as indicated below, via electronic mail, on December 1, 2016.

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Carrie A. Schurg

December 1, 2016  
Columbia, South Carolina